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**FISCAL IMPACT STATEMENT**

**LS 7046**

**BILL NUMBER:** SB 342

**NOTE PREPARED:** Feb 17, 2004

**BILL AMENDED:** Feb 16, 2004

**SUBJECT:** Towing Liens.

**FIRST AUTHOR:** Sen. Young R Michael

**FIRST SPONSOR:** Rep. Reske

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill: (1) allows an unpaid provider of towing services to obtain a mechanic's lien on a towed vehicle and sell the vehicle; (2) requires a person to obtain a certificate of title from the Bureau of Motor Vehicles (BMV) for an off-road vehicle that the person purchases after June 30, 2004, and requires a person who becomes an Indiana resident after June 30, 2004, to obtain a certificate of title from the BMV for an off-road vehicle: (A) that the person owns; and (B) for which a certificate of title was issued by another state; (3) specifies that a learner's permit holder who: (A) is less than 18 years of age and holds a validated permit; or (B) is enrolled in an approved driver's education course; may drive a motor vehicle when the seat beside the driver's seat is occupied by a person who is a stepparent of the permit holder and holds a valid operator's license and (4) authorizes an eligible individual to receive not more than five Disabled Veteran (DAV) license plates for motor vehicles registered to the individual.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** (Revised) (2) *Certificate of Title for Off-Road Vehicles* - For the Bureau of Motor Vehicles, the agency that will title the vehicles, there will be computer changes and data base development required in order to identify the new vehicle types. In addition, there will be new forms required for the titling. The computer changes and data base development are estimated at approximately \$49,000. The printing of new forms is estimated at \$5,400. The fund affected is the MVHA. The estimated cost can be absorbed within the current BMV budget.

According to the Department of Natural Resources, which registers off-road vehicles used on public property, there are 27,051 off-road vehicles currently registered in the state. The titling requirement does not apply to off-road vehicles purchased before July 1, 2004. Consequently, this will limit the number of vehicles which require titling initially.

(3) *Learner's Permit* This part will have no fiscal impact.

(4) *Limiting the number of DAV license plates issued to one individual.* This part will have no impact on the Bureau of Motor Vehicles. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

*Background Information:* In CY 2003, 11,609 Disabled Veteran license plates were issued.

**Explanation of State Revenues:** (Revised) (1) The BMV may experience a reduction in revenue from the sale of abandoned vehicles. However, the amount cannot be quantified. The BMV does not know how many vehicles will be excluded from their sales because of sales by towing companies. The fund affected is the MVHA

(2) *Certificate of Title for Off-Road Vehicles* - The title fee is \$15. The revenue will depend upon the number of titles issued for purchases which occur after June 30, 2004. Revenue from titles is deposited into the Motor Vehicle Highway Account. Using calendar years 2001 and 2002 as a basis, there were 6,300 new off-road vehicles registered in the state during those years. If this trend continues, revenue could amount to approximately \$95,000 per year.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (1) Cities of the first to fourth classes may elect to sell and keep revenues from vehicles abandoned in their jurisdictions (IC 9-22-1-23-27). The city or BMV is responsible for notifying the owner of the vehicle. These local units may experience a reduction in the number of vehicles which may be sold at auction, the number of which is indeterminable.

**State Agencies Affected:** Bureau of Motor Vehicles.

**Local Agencies Affected:** Cities of the first to fourth classes.

**Information Sources:** State Auditor's Revenue Trial Balance of FY 1999-2003; Debbie Cowser, Accounting Division, Department of Natural Resources, 232-4041; Jeff Wells, Executive Officer, Department of Natural Resources, Law Enforcement Division, 232-8034; Marilyn Cage, Legislative Liaison of the BMV, 317-232-1218; Gary Humphries, Director of Abandoned Vehicles/Special Sales, BMV, 317-591-5300.

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